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INTRODUCTION

A City Council Resolution formed the San Jose Free Public Library (Library) on April 30, 1880. Since then, the Library has grown to a system which includes a 113,800 square foot main facility, 17 branches and a bookmobile that provides service to over 50 locations.

Department Mission

The mission of the Library Department is:

“To meet the intellectual, cultural, and recreational needs of each person in the community by providing and making accessible a representative collection of materials for education, enrichment, and entertainment.”

To achieve its mission, the Library acquires, organizes and makes available materials of interest to the public. These materials include books, periodicals, pamphlets, documents, microforms, tapes, recordings, films, art prints and other such items that record the thought, expression and opinion of mankind. The Library offers the public the following services:

- ◆ Reference service, interlibrary loans, readers’ assistance, circulation service, and programs for citizens of all ages;
- ◆ Collection of books, records, audio cassettes and other materials for circulation;
- ◆ Periodical collection;
- ◆ Foreign language collection; and
- ◆ Programs for children, young adults and adults.

The Library also offers a number of special services such as the Silicon Valley Information Center, the bookmobile, the Biblioteca Latino Americana Branch, on-line computer reference services, the Media Center, a career file, public meeting rooms, and extensive local history in the California Room.

The Library enhances the services and materials available to patrons through an inter-library loan system called the South Bay Cooperative System. This system links the resources of all the public libraries in Santa Clara and San Benito Counties. The Library also participates in the SouthNet Reference Center which searches public, academic and corporate libraries and electronic databases for information on a local, regional and national level.

Operating Budget

The Library's 1989-90 operating budget is \$12,801,477. The Library's budget is allocated to its four programs as follows:

TABLE I

**SUMMARY OF THE LIBRARY'S
1989-90 BUDGET BY PROGRAM**

<u>Program</u>	<u>Personal Services</u>	<u>Non-Personal</u>	<u>Total</u>
Management and Administration	\$811,967	\$74,927	\$886,894
Support Services	1,301,313	252,351	1,553,664
Main Library Services	4,181,195	378,953	4,560,148
Branch Library Services	<u>5,506,296</u>	<u>294,475</u>	<u>5,800,771</u>
TOTAL	<u>\$11,800,771</u>	<u>\$1,000,706</u>	<u>\$12,801,477</u>

Capital Budget

For 1989-90, the Library is budgeted \$3,340,600 in capital funds. These funds are to be used to pay for books and other library materials, building improvements and other capital projects. The Library's budget for book and non-book materials is \$1,589,000, or 48 percent of its total capital budget. The budget allocations for book and non-book materials acquisitions are shown in TABLE II below:

TABLE II
THE LIBRARY'S 1989-90 BUDGET ALLOCATIONS
FOR BOOK AND NON-BOOK MATERIALS

<u>Project</u>	<u>Budget</u>
Book acquisition	\$1,284,000
Non-book materials acquisition	215,000
Book rental	<u>90,000</u>
TOTAL	<u>\$1,589,000</u>

Organization

The Library is organized into four organizational units: 1) Main Library and Support Services; 2) Administrative Services; 3) Personnel Services; and 4) Branch Library Services. The Library's organization chart and a brief description of the units' responsibilities are shown on the following page:

As is shown in the organization chart, the Main Library and Support Services organizational unit is divided into three sections: 1) Main Library Services; 2) Support Services; and 3) Automated Services. The Support Services Section includes Technical Services which is responsible for the acquisition of books and non-book materials, and for preparing such materials for patron use.

To fulfill its responsibilities, Technical Services has developed and implemented procedures for acquiring library materials. These procedures include negotiating agreements with book and other vendors, ordering materials, verifying the quality of materials received, and monitoring the expenditure of funds used to purchase book and non-book materials. In addition, Technical Services has established procedures for preparing materials for patron use. These procedures include cataloging, labeling and mending.

SCOPE AND METHODOLOGY

We evaluated the Library's Technical Services Section to determine if it makes materials available to patrons in a timely manner. In addition, we evaluated the information management receives regarding materials processing, timeliness and Section productivity. Finally, we reviewed media materials to determine if controls are sufficient and processing priorities have been established.

During our audit, we interviewed the Library's management and other personnel, reviewed Department policies and procedures manuals and information files, observed daily operations in the processing area, collected and analyzed a random sample of items processed, performed a test of invoices and documented the book and media inventories in Technical Services.

In order to evaluate materials processing timeliness, we selected and analyzed a random sample of 169 purchase orders from May 10, 1989 to June 9, 1989. Additionally, we calculated the average time to process 42 items from Shipping to Receiving and interviewed Technical Services personnel. Finally, we performed an inventory of materials on carts and shelves and in the media cage to determine the number and type of materials in the processing area and holding times for these materials.

To determine if Library Management receives meaningful information on the Technical Services Section's performance, we reviewed authoritative literature to determine appropriate measurement methods. In addition, we collected and analyzed the Library's monthly and tri-annual reports. We

also interviewed personnel in the Technical Services section to elicit opinions about the usefulness of the information contained within these reports. Finally, we toured several Library branches and the Main Library to evaluate the internal controls over audio and visual materials.

FINDING I

THE LIBRARY CAN MAKE BOOKS AND OTHER MATERIALS AVAILABLE TO ITS PATRONS SOONER

After the Library Department acquires books and other materials, it subjects them to several processes in order to make them available to patrons. The Library has an objective to process 80 percent of books and other materials within 20 working days of receipt. However, our review revealed that the Library is frequently not meeting its 20 working day processing objective. Specifically, our review of materials processed revealed that:

- ◆ Only 12.4 percent of materials received were processed within 20 working days;
- ◆ The average processing time for English language materials was 30 working days;
- ◆ The maximum processing time for English language materials was 85 working days;
- ◆ The average processing time for foreign language materials was 85 working days; and
- ◆ The maximum processing time for foreign language materials was 131 working days.

In addition, we identified a significant backlog of materials awaiting processing. For example, in June 1989, we found about 13,700 books and other materials awaiting processing. This included 9,389 backlogged foreign language items, of which some had been awaiting processing for over a year. As a result, the Library is not making materials available to its

patrons within its own prescribed timelines. Further, the Library's ability to comply with the City Council's recent policy regarding the availability of foreign language materials is impaired. This situation is largely the result of the Library's new cataloging policies and the absence of a formal book processing priority system. In our opinion, the Library can process materials more efficiently and improve the availability of foreign language materials by: 1) better utilizing existing staff, 2) adding additional clerical staff and cataloging equipment, 3) establishing a formal material processing workplan, 4) modifying its cataloging policies, and 5) using its computerized on-line ordering system to encode materials.

**The Library's 20 Work Day Processing Objective
And The City Council's Policy On Foreign Language Materials**

After the Library acquires books and other materials, it subjects them to several processes before they are considered available to patrons. These processes are receiving, stamping, encoding, cataloging, labeling, reinforcing and jacketing. A brief description of each process follows.

Receiving - The Library verifies that the shipment of goods received agrees with the information on the purchase order.

Stamping - The Library stamps all books and materials with a San Jose Public Library possession stamp and a branch ownership stamp.

Encoding - The Library affixes a bar code to all items and enters author, title, and publisher information for identification and circulation purposes.

Cataloging - The Library searches nationwide computer databases for bibliographic information. The Library edits this information and

transfers it to their on-line circulation system. The purpose of this process is to increase the accessibility of materials to librarians and patrons.

Labeling - The Library affixes a label with a Dewey Decimal Classification number and other identifying information to the material.

Reinforcing - The Library reinforces some materials with heavy tape.

Jacketing - The Library places protective jackets on some books.

The Library has an objective to process 80 percent of books and materials through the jacketing process within 20 working days of receipt.

In addition, the City Council adopted a policy in 1987-88 to significantly increase the availability of foreign language materials at the City's libraries. Specifically, the City Council increased the Library's budget allocation for foreign language materials from 8 percent to 16 percent of the Library's budget in 1988-89. This resulted in the Library's foreign language budget authorization increasing from \$84,460 in 1987-88 to \$205,440 in 1988-89.

Our review of the Library's Technical Services Section revealed the Library is frequently not meeting its 20 working day processing objective. As a result, books and materials are generally not available to Library patrons within established timelines. Further, this observed lack of timeliness is particularly acute for foreign language books and materials.

Analysis Of Materials Processed

Part of our audit consisted of selecting and analyzing a sample of materials processed between May 10, 1989 and June 9, 1989. During that period of time, the Library processed 2,881 books and other materials from Receiving to Labeling. We selected a statistical sample of 169 items from those materials and analyzed them for timeliness of processing. Our data gathering techniques replicated those the Library uses for its Work Management System reporting. Based upon our sample size, we are 95 percent confident that our sample results are representative of the population of items we tested, plus or minus 3 percent.

In addition, we collected and tested 42 invoices in Technical Services, comparing the Library Shipping receipt dates with the Receiving check-in dates. We found an average delay of five days between the time the Library received materials and the time Technical Services checked them in. Further, Library personnel told us that after the Labeling process was completed, it usually takes an additional five days to make materials available to patrons.

By combining the results of our statistical sample with our observed processing time from Shipping to Receiving and the five-days to Reinforce and Jacket books, we estimate that:

- ◆ Only 12.4 percent of materials were processed within 20 working days;
- ◆ The average processing time for English language materials was 30 working days;

- ◆ The maximum processing time for English language materials was 85 working days;
- ◆ The average processing time for foreign language materials was 85 working days; and
- ◆ The maximum processing time for foreign language materials was 131 working days.

Backlog Of Materials Awaiting Processing

In addition, we inventoried books and other materials on carts and shelves in three Technical Services Section holding areas as of June 15, 1989. These are areas where materials are kept preparatory to beginning the process to make materials available to patrons. We found about 13,700 books and other materials awaiting processing. These items were delayed or backlogged at two main points in the Cataloging Area; on shelves and on carts in a holding area.¹ The following table shows the number of backlogged materials at each point at the time of our inventory.

TABLE III

SUMMARY OF LIBRARY MATERIALS AWAITING PROCESSING ON JUNE 15, 1989, BY LOCATION IN THE CATALOGING AREA

	<i>Number Of Items Awaiting Processing By Catalog Area Location</i>		
<u>Awaiting Processing</u>	<u>Holding Area</u>	<u>Shelves</u>	<u>Totals</u>
English Books Materials	4,301		4,301
Foreign Language Materials	<u>2,251</u>	<u>7,138</u>	<u>9,389</u>
TOTAL	<u>6,552</u>	<u>7,138</u>	<u>13,690</u>

¹ We also noted 2,891 paperback books on carts outside the Library's Computer Room. According to Library Officials, this situation was the result of the Library's conversion to its new computer system and is not a normal occurrence.

As is shown above, as of June 15, 1989, there were 6,552 items on carts in the Technical Services holding area of which 4,301 items were English language materials and 2,251 were foreign language items. In addition, we counted 7,138 backlogged foreign language books which had been removed from carts and placed on shelves. The Library places date tags on the shelves to indicate when the books were placed there. We noted that several shelves of items were dated June 1, 1988. We also identified shelved items with purchase orders dating from March through December 1987. Thus, many of these foreign materials had been awaiting processing for more than a year at the time of our inventory in June of 1989.

Based upon our audit results, it appears that the Library is frequently not meeting its own timeliness standard. In addition, our observed lack of processing timeliness and holding area backlogs for foreign language materials evidence that improvements are needed if the City Council's policy regarding the availability of foreign language materials is to be effectively implemented.

Workload Increases Have Hampered The Library's Ability To Process Materials In A Timely Manner

Our review revealed that workload increases have severely hampered the Library's ability to process materials in a timely manner. These workload increases are primarily the result of new Library cataloging policies. These new policies have impacted the Technical Services Section in two ways. First, the Cataloging Unit now processes more materials than it did before. Secondly, the time required to process each item has increased.

As a result, it now takes longer to process a book and some books are backlogged for several months before they can be processed.

The Library's New Cataloging Policy

In 1986, the Library hired a consultant to review its cataloging operations. The consultant complimented the Library for cataloging approximately 20,000 new titles a year without incurring any significant processing backlogs. However, the consultant did criticize some of the Library's cataloging procedures. In response to the consultant's report, the Library implemented several new policies. When fully implemented, we estimate that these new policies will increase the Library's processing workload by 3.4 staff years.

The Online Computer Library Center Database

For the Library, cataloging books and other materials is a very methodical and time-consuming process. In order for the Library to catalog a book, the librarian must search one of several national databases of bibliographic records to determine if another library has already cataloged the book. The most frequently used database is the Online Computer Library Center (OCLC)². The OCLC is a non-profit organization which provides libraries throughout the United States with on-line cataloging services from a single set of integrated computers located in Columbus, Ohio. OCLC enables libraries to increase their labor productivity in activities such as cataloging through computer technology. A cataloger from

² The San Jose Public Library also uses the Research Libraries Information Network (RLIN).

a participating library, such as the San Jose Library, sits at a computer terminal and searches the OCLC database of over 3 million catalog records to determine if a record already exists for the item being cataloged.

When a cataloger finds that an OCLC record already exists for a book or other material, he or she reviews the OCLC record for correctness and completeness. The cataloger usually makes at least minor changes to these OCLC records before using them to catalog a new book. However, when a record is not available in the OCLC system, the Library is required to perform additional tasks. Specifically, the Library must do the research necessary to catalog the book for its own internal purposes. Next, the Library must create and transmit an original record into the OCLC.

The Consultant for the Library, hired in 1986, criticized the Library for not entering original records into OCLC. In June 1988, the Library instituted a new policy to process more materials through the OCLC terminals and to enter more original records into the OCLC. For example, in the past, the Library merely encoded most paperbacks. Such encoding only required the Library to affix a bar code to the paperback and to enter the author and title information into the Library's circulation system. However, with the new cataloging policy, the Library now encodes and catalogs far more paperbacks. This means the Library now processes many more paperbacks through the OCLC. We estimate that, when fully implemented, the Library's new cataloging policy for paperback books will increase the Cataloging Unit's workload by .64 staff years.

Another, important cataloging policy change relates to foreign language materials. Prior to June 1988, the Library only encoded and

minimally labeled foreign language materials before delivering them to branch libraries. This procedure did not require the Library to search the OCLC or RLIN bibliographic databases. However, since June 1988, the Library's policy has been to fully catalog foreign language materials. This too has added to the number of materials that must be processed through the OCLC terminals.

Catalogers normally spend approximately 5 minutes per book searching the OCLC or RLIN databases for matches. Even if a record is located, catalogers spend additional time updating it. Therefore, the Library's new cataloging policy has increased the Cataloging Unit's workload by a minimum of five minutes for every item that is currently cataloged that would not have been before June 1988. While five minutes may seem trivial in and of itself, we estimate the cumulative effect of this additional time equates to .86 staff years.

The Library's policy to catalog foreign language materials has also affected the Library's workload because foreign language materials are not found in the OCLC and RLIN bibliographic databases as frequently as English materials. As a result, the Library must do the research to create and enter more original records for foreign materials than for English materials. For example, records for English materials are found in the OCLC database nearly 93 percent of the time. However, Library staff find bibliographic records for Roman alphabet foreign languages, such as French and Spanish, only 70 to 80 percent of the time. For non-Roman alphabet foreign languages, such as Chinese or Korean, the percent found in the OCLC or RLIN databases drops to only 20 to 30 percent. Therefore, the Library must

do the research to create and enter original records for 20 to 80 percent of the foreign language materials it catalogs.

Creating an original record for the OCLC is very time-consuming. In order to do so, librarians must research and enter new bibliographic information in approximately 35 to 50 data fields. It usually takes librarians about 40 to 60 minutes to create and enter one original record. Therefore, we estimate that the Library's policy to catalog foreign language materials and enter new records into OCLC has increased the Cataloging Unit's workload by 1.9 staff years.

Further, in April of 1989, the Library converted to a new circulation system (CLSI). This system conversion has also added to the Cataloging Unit's workload. The CLSI provides for a future on-line Public Access Catalog. This feature will allow patrons to use Library terminals or their own telephone modems to access the information in the Library's database. In order for the Public Access Catalog to be effective, the Library must have complete cataloging records on as many materials as possible. Accordingly, librarians have requested that the Cataloging Unit fully catalog more items. As a result, the Cataloging Unit's workload has increased. In addition, with its old circulation system, the Library could simultaneously encode and catalog books and other materials. However, with the new CLSI system, Library's staff must handle new titles twice, once to encode and once to catalog.

Finally, item level work, which was previously performed in the branches and other units within the main Library, is now assigned to the Catalog Unit. Item level work includes changing a book from one

classification to another. For example, a new edition of an encyclopedia is classified as “reference”. This means it cannot be checked-out to a patron. However, after the encyclopedia is several years old, it can be checked-out and needs to be reclassified as “circulating”.

The cumulative affect of the above changes in Library cataloging policies is a significant increase in the Cataloging Unit’s workload that have not been matched with commensurate staff increases. This is precisely the situation the consultant warned the Library against in his 1986 report.

Delayed Processing Of Foreign Language Materials

Before some foreign language materials can be cataloged, they must be transliterated. This is a process of assigning Roman alphabet letters (A, B, C, etc.) to the non-Roman alphabet foreign language symbols. Transliteration is needed for languages such as Japanese, Korean or Chinese. Prior to June 1988, the Library only encoded and minimally labeled foreign language materials before delivering them to branch libraries. This procedure only required transliteration of author, title, and publisher information. However, since the Library decided to fully catalog foreign language materials, transliteration must be performed at a higher level. That means the Library must transliterate additional information, such as topic or subject headings before Library staff can search the OCLC or RLIN databases for a matching record. Because the Library lacks the funds to pay for permanent transliterators, the Library merely sets aside many of the non-Roman alphabet language books until a volunteer or professional

transliterator can be scheduled. This situation causes some foreign language books to await processing for long periods of time.

In addition, after foreign language materials are transliterated, they must be processed through the OCLC terminal. If no suitable match exists in the database, the foreign language item is returned to the holding shelves until a librarian can create an original record. This second delay can also cause foreign language materials to not be processed for long periods of time. The cumulative effect of these two processing delays can degenerate into foreign language materials awaiting processing for periods in excess of one year, as we noted on Page 8.

**The Library May Need Additional Resources
To Eliminate Its Backlogs And To Process
Materials In A Timely Manner**

The 1986 Consultant's report recommended that the Library obtain additional resources. The Consultant recommended that the Library add staff positions to provide a two-to-one clerical-to-professional staff ratio. This is a traditional cataloging staff pattern. Specifically, the Consultant recommended that the Library add two clerical, one paraprofessional, and two professional positions, including a "head cataloger," to its Cataloging Unit. The Consultant also recommended specific duty assignments for each of the positions in the Cataloging Unit if the Library hoped to avoid backlogs and maintain a high level of productivity. Finally, the Consultant recommended that the Library add at least one, preferably two, new OCLC terminals.

These recommendations were made in 1986 when the Library purchased fewer foreign language materials than they do today. For example, the foreign language materials budget has increased 143 percent from fiscal year 1987-88 to 1988-89. As a result, the Consultant's staffing recommendations did not consider the effect that increased foreign language materials purchases would have on the Library's workload.

In response to the consultant's report, the Library added a head cataloger by transferring a position from another division. In addition, the Library added two professional librarians, 1 typist clerk and 1 library clerk. While the Library has added one more professional level position than the consultant recommended, it is still understaffed at the clerical and paraprofessional levels and has not achieved the recommended clerical-to-professional staffing ratio.

The Consultant also recommended specific clerical, paraprofessional, and professional personnel duties. Specifically, the Consultant recommended that clerical personnel should do most of the data entry tasks. These tasks include searching the database, inputting information and "copy cataloging."³ Clerks can search for matches for new materials. In addition to performing the preceding clerical staff function, the Consultant recommended that paraprofessionals also enter records into the data bases for new fiction titles. These types of materials tend to be the simplest materials to catalog.

³ "Copy Cataloging" means finding a record which closely matches an item so that minimal editing is needed to create a record for that item.

With regard to the Cataloging Unit's professional staff, the Consultant recommended that they do very little data entry. Instead, the Consultant recommended that the professional staff be responsible for all original cataloging and for reviewing the work of the clerical and paraprofessional staff. Furthermore, the Consultant recommended that the head cataloger develop policies and procedures, review and supervise the Cataloging Unit's professional staff, and manage the Cataloging Unit's workflow.

Our review found that, in spite of the Consultant's recommendations, the Cataloging Unit's professional staff spend a significant amount of time on data entry tasks. Specifically, we observed that clerical staff do data entry at the two OCLC terminals from approximately 7:00 A.M. to 11:00 A.M. Professional staff perform the same type of data entry tasks from 11:00 A.M. until as late as 2:00 P.M. As a result, the Cataloging Unit's professional staff are unable to devote sufficient time to creating original records and other Consultant recommended professional cataloging functions. This is one of the reasons many materials requiring the creation of original records, primarily foreign language materials, are backlogged on carts and shelves in the Library's holding areas.

The Library Needs To Take Additional Steps To Deal With Its Workload Problems

The Library can take steps to improve its cataloging operation. Specifically, the Library should expand its pool of qualified clerical personnel available to perform data entry tasks. With additional clerical staff, the Cataloging Unit's professional staff would have more time to create original records and perform other more difficult cataloging functions.

The addition of clerical staff to perform data entry tasks only would also increase the efficiency of existing OCLC terminals. This would be the result of terminal time being restricted to data entry tasks only. The Cataloging Unit's professional staff would only handle those materials requiring research and the creation of an original record. Additional clerical staff and improved OCLC terminal efficiencies would also justify the need for an additional Consultant recommended OCLC terminal.

The Library also needs to be more proactive in responding to its workload problems. Although the Library has informal processing priorities, it has not established objectives for reducing its processing backlogs. In addition, the Library lacks a formal workplan that identifies the processing tasks to be completed and the person responsible for completing those tasks. We observed that many items, such as foreign language and video materials, are worked on an "as time becomes available basis." Moreover, when time does become available, work to be performed is at the discretion of Library staff. As a result, Library management cannot be assured that items are not overlooked, staff are working on the highest priority items, and that processing backlogs are being addressed.

In our opinion, a formal processing workplan would allow the Library to be more proactive in responding to its workload problems. A formal workplan would require the Library to evaluate its workload, identify problem areas, prioritize materials for processing, and schedule its staff to work on those materials. As a result, Library management would have greater assurance that items are not being overlooked, the highest priority

items are handled first, and that the Library is reducing its processing backlog.

Finally, the Library should reevaluate its current cataloging policies. As was discussed above, the Library has implemented new policies that have had a significant impact on its material processing workload. Although these new policies have been in effect for only a short period of time, they have already seriously impacted the Library's ability to process materials in a timely manner. While these new cataloging policies are designed to improve patron access to reading materials, the cost of these policies may outweigh their benefits. Specifically, the Library should reconsider its policy to fully catalog non-Roman alphabet foreign language materials. While fully cataloging foreign language materials may provide optimum patron access, it may also have limited value for non-English speaking patrons. For example, according to Library staff, non-English speaking patrons typically browse through the collection of foreign language materials instead of using the card catalog. This is because these patrons cannot read the transliterated author and title information in the card catalog. In other words, fully cataloging foreign language materials only helps those patrons who can read English. Therefore, the Library might better serve the needs of its non-English speaking patrons by making foreign language materials available sooner by not fully cataloging those items. Also, the Library's policy to fully catalog foreign materials which are lower-quality paperbacks may not be cost effective. These items tend to have a short shelf life and the cost involved to fully catalog them may not be justified.

The Library should also consider suspending or reassigning some types of Catalog Unit tasks until the processing backlog is reduced. As was noted on Page 18, when the Library converted to its new circulation system, it required the Catalog Unit to do item level work. As a result, the Unit's workload has increased by about 600 items per month. It should be noted that item level work applies to items already shelved that have at least a minimal cataloging record. In our opinion, the Library should consider temporarily suspending item level changes or requiring branch Library staff to do them. Branch Library staff used to do item level changes before the new circulation system was installed and should be able to do these now with minimal training. Either of these options would allow Catalog Unit staff to concentrate on new materials needing cataloging.

The Library Has An Opportunity To Use Its Computer To Improve Processing Time

INNOVACQ is the Library's on-line ordering system. It appears that INNOVACQ can be used to efficiently encode materials. When the Library receives invoiced materials, Library staff enter the ordering branch, publisher identifying number, and author and title into INNOVACQ to initiate payment. When the Library encodes materials, it uses this same information plus an internally generated identification number. The Library may be able to upload the payment (or invoice) information in its INNOVACQ system into its circulation system when ordered books are received. Once this information is in the circulation system, the Library could use it for encoding purposes. The only adjustment staff would have to

make would be for the Library identification number. We estimate that this could save the Library up to .25 staff years.

CONCLUSION

A new Library cataloging policy has caused the Library to frequently not meet its own processing timeliness criteria of 20 working days. In addition, these changes have resulted in significant backlogs of books and materials awaiting processing. By better utilizing existing staff, adding resources, establishing formal workplans, modifying its cataloging policies and computerizing its encoding process, the Library can process materials more efficiently and improve the availability of foreign language materials.

RECOMMENDATIONS

We recommend that the Library Department:

Recommendation #1:

Better utilize existing clerical staff to input cataloging information.
(Priority 3)

Recommendation #2:

Consider adding clerical staff and acquiring an additional OCLC terminal to expedite the cataloging process. (Priority 3)

Recommendation #3:

Prepare a formal weekly or bi-weekly workplan to address workload issues, identify problem areas, prioritize materials for processing, and facilitate staff scheduling. (Priority 3)

Recommendation #4:

Request funding for the permanent use of translators/transliterators.
(Priority 3)

Recommendation #5:

Reevaluate its current cataloging policies regarding fully cataloging non-Roman foreign language materials, item level cataloging, and allowing branch staff to make certain item level changes. The Library should report any cataloging policy changes to the City Manager and the City Council.
(Priority 3)

Recommendation #6:

Explore the possibility of using INNOVACQ to encode books and other materials. (Priority 3)

FINDING II

LIBRARY MANAGEMENT NEEDS INFORMATION ON THE TECHNICAL SERVICES SECTION'S PRODUCTIVITY

The Library's Technical Services Section is responsible for processing books and other materials to make them available for the Library's patrons. As such, Technical Services' productivity directly affects the Library's ability to achieve its mission. An important internal control technique for a processing section such as Technical Services, is adequate, reliable and timely management information regarding productivity and the status of work in progress. However, our review revealed that Library management does not receive adequate or sufficient information regarding Technical Services' productivity. In addition, we identified the following regarding Technical Service information in the Library's Work Management System:

- ◆ Processing times are calculated for materials received during only one five-day period every four months;
- ◆ In one of its Tri-Annual Reports, Technical Services only reported processing time for those items that met established timelines. Items that exceed these timelines were not reported to management;
- ◆ Reported Technical Services processing times are understated by about 10 work days; and
- ◆ Technical Services processing times for many of the harder to process books and materials are not included in the Work Management System;

Finally, we determined that Technical Services needs to collect and report additional information on the status of the Section's workload. As a

result, Library management lacks the information it needs to effectively evaluate and manage Technical Services' productivity and workload. Improving the adequacy, reliability, and timeliness of Technical Service Section management information will enhance Library management's ability to identify processing problems and take corrective action.

The Technical Services Section

The Library's Technical Services Section is responsible for receiving and processing new books and other materials to make them available to the Library's patrons. In order to process books and other materials, Technical Services agrees goods received to purchase orders, stamps items with a San Jose Public Library stamp, affixes a bar code to all items, catalogs items, affixes a classification label to items, reinforces some items with heavy tape and places protective jackets on some items. Accordingly, the Technical Services Section's productivity has a direct bearing on how well the Library accomplishes its mission to *"...meet the intellectual, cultural, and recreational needs of each person in the community by providing and making accessible a representative collection of materials and information services for education, enrichment, and entertainment..."*

Adequate, Reliable, And Timely Management Information Is An Important Internal Control Technique

The United States General Accounting Office states in part in its 1988 revision of Government Auditing Standards that:

“...Management is responsible for establishing an effective system of internal controls ... Internal controls include the plan of organization and methods and procedures adopted by management to ensure that its goals and objectives are met, ...”

The Library has established a Technical Services Section objective to process 80 percent of books and materials through the process within 20 working days of receipt. Accordingly, Library management is responsible for ensuring that the Technical Services Section is meeting its 20 working day processing objective. Adequate, reliable and timely information on Technical Services' productivity is one means Library management can use to obtain such assurance.

Management Lacks Information On The Technical Services Section's Productivity

In his book, Planning and Controlling Production, Roger W. Schmenner states:

“...controlling production effectively means assembling up-to-date information on the status of orders, materials, and the process itself, and being able to communicate that information to higher levels of management in a clear and timely fashion, with priorities spelled out, so that management can take corrective action.

...the measure of how well resources are brought together in organizations and utilized for accomplishing a set of results. Productivity is reaching the highest level of performance with the least expenditure of resources...No work should be planned or carried out unless its productivity can be measured and evaluated...”

Monitoring productivity is especially important when resources are limited as is the case with the Library. A common way to measure productivity is to establish an expected level of output or standard and to compare actual performance against that standard. Without a standard,

management cannot adequately evaluate performance, measure productivity, identify problems or take corrective action.

A standard of performance also can be used as a basis for establishing a workplan. In addition, a standard allows staff to have immediate feedback on their performance. The standard alerts staff as to what is expected and allows them to evaluate their performance against the standard.

Our review found, however, that the Library does not have a formal standard to measure the Technical Services Section's productivity. For example, the Section's Cataloging Unit has established an informal processing objective to complete two carts of books and materials per day and to begin processing another two carts. The Unit uses this standard for its own purposes and does not apprise management of its actual productivity relative to the two carts per day standard. Moreover, the two carts per day standard is not a reliable indicator of the Cataloging Unit's performance because the number and type of materials on these carts varies significantly. Thus, the time required to complete a cart can vary by as much as five hours a day. Therefore, the number of carts completed in a day is not a meaningful indicator of the Cataloging Unit's daily output.

It should be noted that the Library does produce an Acquisitions Monthly Service Report. This report provides statistics on the number of materials ordered, received and stamped. However, the Acquisitions Monthly Service Report does not provide management with information on the number of titles cataloged for the month. As a result, management lacks information on one of the primary production indicators in the Technical Services Section.

Technical Services Section Information In The Work Management System Needs To Be Improved

Through the Work Management System, the Library reports on whether it is meeting Technical Services' 20-day processing objective. However, our review revealed that both of these reporting methods need improving. In addition, the Technical Services Section's information in the Work Management System needs improving.

The Library reports on the performance of the Technical Services Section three times a year as a part of the City's Work Management System. The Library reports actual performance against its objective to process 80 percent of materials through Technical Services within 20 working days. We identified several ways the Technical Services Section can improve productivity information it includes in the Work Management System.

First, the Technical Services' productivity information shown in the Work Management System is based upon a tracking of materials received during only a five-day period. Specifically, for each Tri-Annual Work Management System reporting period, the Library selects one five-day period during which a receiving date is stamped on all incoming purchase orders. These purchase orders remain with the materials processed until a classification label is affixed. The purchase orders stamped during this five-day period constitute the only basis for the Library's calculation of Technical Services' processing time. In our opinion, an arbitrarily selected five-day sample period may not be sufficient in length or representative of the entire four month period from which it was drawn.

In addition, we noted one 1988-89 tri-annual report in which Technical Services was shown as having processed 100 percent of the materials it received within 20 working days. However, we determined that for this reporting period, the Library only reported on those items that were processed within 20 working days. Thus, the Library simply disregarded the vast majority of items that took longer than 20 working days. As a result, Technical Services' productivity was grossly overstated. It should be noted that Library management apparently never challenged this overstatement even though the reported percentage processed in the same tri-annual period for the previous year was only 31 percent.

We also identified that the reported Technical Services' processing times in the Work Management System are understated by about 10 work days. Specifically, the Library excludes the average five days between actual receipt and Receiving check-in. In addition, the Library excludes the four to five days it takes to reinforce and jacket materials. Thus, the Library excludes from its Technical Services' processing statistics the time required for three processing steps that equate to about one-half of Technical Services' 20 working day processing objective.

Our review also revealed that Technical Services does not report processing times for those items that are difficult to process. For example, the Library's five-day processing sample does not include local purchases.⁴ This is a significant omission because the local purchase process is used to acquire most of the Library's foreign language materials. As was noted in

⁴ Local purchases result when a Librarian is authorized to purchase books from a local bookstore or warehouse. This procedure does not result in a purchase order being printed. Because a purchase order is not printed for local purchases, they are never included in the Library's five-day processing sample.

FINDING I, foreign language materials take considerably longer to process than English materials. Thus, the Library's calculated Technical Services' processing times are significantly understated because those items that take the longest to process are, for the most part, excluded from the calculation.

Further, in 1989-90, foreign languages will account for 16 percent of the Library's book purchases. Thus, by not including local purchases in its calculated processing times, the Library is excluding a significant number of processed items.

Another problem with the Library's method of calculating Technical Services' productivity for the Work Management System is that only those items that actually make it through the entire process are included in the Library's processing time statistics. For example, as was noted earlier, the Library stamps the receipt dates on purchase orders for items received during a five day period. When these purchase orders reach the labeling process, they are pulled and tallied for processing times. This tallying process continues until the Library decides it is time to stop. At this point overall statistics are developed. This methodology is flawed because the Library does not count the number of purchase orders that were initially stamped. As a result, any subsequent processing statistics will not be based on the total number of items sampled. For example, suppose the Library stamps receipt dates on 1,000 purchase orders during its five-day sample period. Assume further that the Library tallies processing times for those purchase orders that reach labeling for the next three months with the following results:

<u>Processing Times</u>	<u>Number of Items</u>
Less than 20 working days	200
21 to 40 working days	200
41 to 60 working days	<u>200</u>
TOTAL	<u>600</u>

Based upon the above result, the Library would calculate that 33 percent ($200/600$) of the items processed were processed within 20 working days. However, if the Library had used the actual number of purchase orders initially stamped (1,000), the real percent of purchase orders processed within 20 working days would be 20 percent ($200/1,000$). Thus, the Library overstates its level of objective achievement by not using the number of purchase orders initially stamped as its basis for subsequent percentage calculations. Another problem with this methodology is that those materials that are difficult to process are excluded from processing time calculations and never brought to management's attention. In the above example, if the Library continued to tally processing times until all of the initial 1,000 purchase orders were accounted for, management would be apprised of some serious processing delays that required immediate attention. Absent this information, Library management would assume that Technical Services' processing times are much better than they really are.

Additional Information On The Technical Services Sections Workload Is Needed

Finally, our review revealed that the Library needs additional information on its workload. Specifically, the Library does not maintain statistics on the number and type of materials that must be processed and the resources required to do the processing. Without this information, the

Library cannot adequately assess and accommodate its workload or establish meaningful processing priorities. As a result, handling the workload is at the discretion of Library staff. By collecting and reporting current and detailed information on Technical Services' workload, management can develop the type of formal processing workplan recommended in FINDING I.

CONCLUSION

The Library's Technical Services Section is responsible for processing new Library materials to make them available to Library patrons. Library management would have added assurance that it was achieving its mission if the adequacy, reliability, and timeliness of Technical Services Section's management information was improved.

RECOMMENDATIONS

We recommend that the Library Department:

Recommendation #7:

Develop productivity standards for the Technical Services Section.
(Priority 3)

Recommendation #8:

Develop and implement written procedures for measuring the Technical Services Section's materials processing times. These procedures should ensure that:

- ◆ The sample of items measured includes those materials not processed within 20 days.
- ◆ Measured processing times include all of the time that materials are in the Technical Services Section.
- ◆ Local purchases and media materials are included in the sample.
- ◆ Processing times are measured on a regular and periodic basis to ensure reliability and representativeness.
- ◆ Management receives monthly reports on materials processing.
(Priority 3)

Recommendation #9:

Report the number of items cataloged each month, by type of material, on the Acquisitions Monthly Service Report. (Priority 3)

Recommendation #10:

Collect and report current and detailed information on Technical Services Section's workload. (Priority 3)

FINDING III

THE LIBRARY NEEDS TO IMPROVE ITS INTERNAL CONTROLS OVER AUDIO AND VISUAL MATERIALS

The San Jose Library purchases a significant number of audio and video cassettes and compact discs. Because of the high demand for these items and their susceptibility to pilferage, the Library has instituted a number of controls to prevent loss or theft and processing delays. However, our review revealed that controls over cassettes and discs while they are in the Technical Services Section can be improved. Specifically, by 1) restricting staff access to the secured storage area, 2) retaining tracking slips on cassettes and discs the entire time they are being processed, 3) establishing a formal processing priority system, and 4) organizing stored materials by the date received, the Library can reduce its exposure to loss or theft and management will have added assurance that its processing priorities will be met.

Cassettes And Compact Discs

In response to patron demand, the Library has increased its purchases of audio and video cassettes and compact discs. For example, from 1985-86 to 1988-89, the Library increased its inventory of cassettes and discs nearly 70 percent from 18,588 items to 31,481 items.

The Library's Controls Over Cassettes And Discs During Processing

Because of their popularity and size, cassettes and compact discs are very susceptible to pilferage. Accordingly, the Library has instituted a number of controls for these items while they are in the Technical Services Section. Specifically, while cassettes and compact discs are being cataloged, they are kept in a fenced off storage area in Technical Services. In addition, the Library attaches tracking slips to cassettes and compact discs at the beginning of processing to protect against items in a group of materials getting lost or misplaced.

Our review revealed, however, that the Library needs to improve these controls to provide greater assurance that cassettes and compact discs are not lost or stolen. We noted that the Library does not limit staff access to the fenced-off storage area. For example, the Library has not documented which staff are authorized to enter the storage area. Further, the Library's use of tracking slips for cassettes and compact discs is not adequate. We observed that tracking slips are placed on video cassettes at the beginning of processing but are usually removed when the cassettes reach the catalog processing stage. We also observed that video cassettes can stay at the cataloging processing stage for many months. As a result, video cassettes can remain on storage shelves without tracking slips for long periods of time. We also noted that the Library does not use its tracking slips to reconcile the items received to the items processed. Therefore, the Library does not know if all the items it received eventually get processed. We also observed that the Library has established an informal priority system for

processing cassettes and compact discs that are in the storage area. In order of importance, these priorities are:

- 1) rush materials,
- 2) most popular materials, and
- 3) materials which have been in storage the longest.

In our opinion, these priorities need to be more defined. For example, these priorities do not specify which type of material, such as video or audio cassette, is of a higher priority. As a result, the cataloging librarian must decide what type of item to catalog first each time an item is selected from the storage area. In addition, we observed that it is very difficult to tell which items have been in the storage area the longest. Thus, it may not be possible to satisfy the priority regarding materials which have been in storage the longest.

Improved Controls Are Needed

In our opinion, the Library needs to improve its controls over audio and video cassettes and compact discs. Specifically, the Library should formally designate those employees who have access to the fenced storage area. The Library should also establish procedures to restrict access to the storage area to those employees so designated. In addition, the Library can improve its tracking slip procedures by creating an original and a duplicate copy. The original should be attached to the media item being processed and the copy should go to the Acquisition Unit. After the item being processed is cataloged, the Cataloging Unit should send the original tracking slip to the Acquisitions Unit for matching with the duplicate copy. This would provide a means of reconciling those media items processed to those

items received. Further, management needs to establish specific formal processing priorities for media items in the storage area. These priorities should specify whether video or audio cassettes or compact discs have the highest priority. In addition, the Library should organize materials in the storage area by date received. This would facilitate processing for those materials that have been in storage the longest.

By implementing the above procedures, we believe the Library can reduce the potential for media material theft or loss and management will have added assurance that its processing priorities will be met.

CONCLUSION

The Library needs to improve its internal controls over audio and visual materials and compact discs to provide greater assurance that these materials are not lost or stolen and that management's processing priorities are met.

RECOMMENDATIONS

We recommend that the Library:

Recommendation #11:

Restrict access to the media storage area to only designated staff.
(Priority 3)

Recommendation #12:

Use tracking slips to reconcile the media materials processed to the media materials received. (Priority 2)

Recommendation #13:

Establish specific formal processing priorities for media materials in the storage area. (Priority 3)

Recommendation #14:

Organize materials in the storage area by date received. (Priority 3)

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